

Fund description

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund may buy assets outside the common monetary area (CMA) up to a maximum of 40% of the Fund. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by Standard Bank Namibia Limited, plus 2%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

Minimum investment amounts

Minimum lump sum per investor account	N\$20 000
Additional lump sum	N\$500
Minimum debit order	N\$500

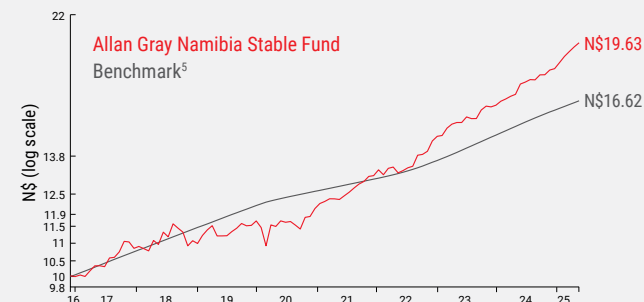
Fund information on 31 July 2025

Fund size	N\$469m
Price	N\$1 464.88
Number of share holdings	44
Class	A

- Maximum percentage decline over any period calculated from monthly returns. The maximum drawdown occurred from 31 January 2020 to 31 March 2020. Drawdown is calculated on the total return of the Fund (i.e. including income).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 August 2023 and the benchmark's occurred during the 12 months ended 30 June 2024. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 August 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
- The daily interest rate, as supplied by Standard Bank Namibia Limited, plus 2%. Performance as calculated by Allan Gray as at 31 July 2025.

Performance (N\$) net of all fees and expenses

Value of N\$10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark ⁵
Cumulative:		
Since inception (5 December 2016)	96.3	66.2
Annualised:		
Since inception (5 December 2016)	8.1	6.0
Latest 5 years	10.9	5.8
Latest 3 years	13.1	7.1
Latest 2 years	12.2	7.4
Latest 1 year	12.7	7.0
Year-to-date (not annualised)	9.7	3.9
Risk measures (since inception)		
Maximum drawdown ¹	-6.9	n/a
Percentage positive months ²	73.1	100.0
Annualised monthly volatility ³	5.4	0.4
Highest annual return ⁴	15.9	7.8
Lowest annual return ⁴	-4.5	3.6

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus quarterly.	30 Sep 2024	31 Dec 2024	31 Mar 2025	30 Jun 2025
Cents per unit	1448.1605	1320.2146	1392.6535	1531.2045

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee.

Fee for performance equal to the Fund's benchmark: 1.00% p.a.*

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a.*

Minimum fee: 0.50% p.a.*

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark.

*Management fees charged for the management of unit trust portfolios do not attract VAT.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of actual expenses incurred by a fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings as at 30 June 2025 (CMA and Foreign) (updated quarterly)

Holdings	% of portfolio
AB InBev	2.6
British American Tobacco	2.3
AngloGold Ashanti	1.6
Woolworths	1.1
Gold Fields	1.0
Standard Bank Group	1.0
Nedbank	1.0
Remgro	0.9
FirstRand Namibia	0.9
Siemens Energy AG	0.9
Total (%)	13.3

Top credit exposures on 30 June 2025 (updated quarterly)⁶

Issuer	% of portfolio
Republic of Namibia	34.3
Standard Bank Group	4.3
First National Bank Namibia	2.6
FirstRand Bank	2.6
United States Treasury	2.2
Standard Bank Namibia	1.4
Bank Windhoek	1.4
Total (%)	48.8

Asset allocation on 31 July 2025

Asset class	Total	Namibia ⁷	South Africa	Africa ex-SA and Namibia	Foreign ex-Africa
Net equities	27.4	4.9	8.7	0.4	13.4
Hedged equities	13.7	0.0	5.0	0.0	8.7
Property	1.1	0.5	0.1	0.0	0.6
Commodity-linked	3.0	2.1	0.0	0.0	0.9
Bonds	44.7	30.9	6.8	1.4	5.6
Money market and bank deposits	10.0	7.8	0.6	0.2	1.5
Total (%)	100.0	46.1	21.1	2.0	30.8

6. All credit exposure 1% or more of portfolio.

7. 2.7% invested in companies incorporated outside Namibia but listed on the NSX. Including dual-listed commodity-linked ETFs, total exposure to dual-listed instruments is 4.8%.

Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1 and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	1.74	1.74
Fee for benchmark performance	1.03	1.03
Performance fees	0.62	0.61
Other costs excluding transaction costs	0.08	0.10
Transaction costs	0.05	0.06
Total investment charge	1.79	1.80

Note: There may be slight discrepancies in the totals due to rounding.

The Fund has returned 8% year to date, outperforming its benchmark by 5%. This is attributable to the strong absolute performance across South African and offshore assets, in particular. The FTSE NSX Local Index, the FTSE/JSE All Share Index (ALSI), the IJG All Bond Index (IJG ALBI) and the MSCI World Index are all at or close to all-time highs. In addition, local bonds have provided attractive real interest rates. Put them all together and we were fortunate to have a strong tailwind for returns – despite the significant drawdown in equity markets in April and geopolitical volatility. We caution investors in the Fund that the investment environment won't always be as favourable for absolute returns.

The Fund's South African and Namibian equity returns continued to be driven by the strong performance of gold shares as well as AB InBev and British American Tobacco, both of which have been rerated by the market on improved fundamental outlook, as discussed in the Q1 2025 commentary. Our locally listed equities also contributed positively to absolute returns. Glencore, Sappi and Sasol have been disappointing, but we look for shares that have a potentially different payoff profile relative to the considerable exposure the Fund has to local and South African fixed income instruments.

The pull back in many SA Inc shares continued in the quarter as valuations compressed on a more realistic view on the outlook for profit growth given significantly low levels of economic growth. We are actively looking for opportunities. The same cannot be said for the South African bond market, which rallied to an all-time high as measured by the FTSE/JSE All Bond Index. The yield on the SA 10-year government bond is back to its post-government of national unity low. This is even more impressive considering the sell-off in many developed world bond markets as investors focus on poor fiscal positions and high debt levels. In our view, South Africa needs significantly higher economic growth to sustainably reduce debt levels and cannot always rely on being bailed out by periods of high commodity prices.

Local bonds had a strong quarter in absolute terms, despite lagging most other asset classes in the portfolio year to date. Most of the rally has been driven by the strength in SA bonds, which local bonds benchmark off. However, the bond spreads between local and SA bonds have widened on average, which suggests investors are pricing more risk into Namibian bonds, relative to SA bonds, than they have before. A new government and greater uncertainty about the regime's fiscal path coupled with heightened borrowing requirements warrant more caution, in our view.

The Fund has 32% invested directly offshore. The portions invested in the Orbis Global Balanced and Optimal funds have produced strong absolute and relative performance. The holdings continue to look very different from the world equity and bond indices. We remain underweight the US assets.

With equity markets at or near all-time highs, we would not be surprised to see some consolidation in markets as they digest the rapid rally from the April lows. We construct the Fund with the objective of producing long-term returns in excess of bank deposits and providing a high degree of capital stability.

Commentary contributed by Duncan Artus and Tuyeni Akwenye

**Fund manager quarterly
commentary as at
30 June 2025**

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Management Company

Allan Gray Namibia Unit Trust Management Company is an approved management company in terms of the Unit Trusts Control Act 54 of 1981 as amended, and is incorporated and registered under the laws of Namibia and supervised by the Namibia Financial Institutions Supervisory Authority (NAMFISA). The trustee and custodian is Standard Bank Namibia.

Performance

Unit trusts are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Where annualised performance is mentioned, this refers to the average return per year over the period.

Unit price

Unit trust prices are calculated daily on a net asset value basis, which is the total market value of all assets in the portfolio, including any income accruals and less any permissible deductions from the portfolio, divided by the number of units in issue.

Redemptions

Allan Gray Namibia Unit Trust Management Company will repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Unit Trusts Control Act 54 of 1981 as amended and on the terms and conditions set forth in the trust deed.

Total expense ratio (TER) and transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged) and other expenses like audit and trustee fees. Transaction costs (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and investor protection levies where applicable) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager, and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).

Compliance with Regulation 13

The Fund is managed to comply with Regulation 13 of the Pension Funds Act 24 of 1956. Exposures in excess of the limits prescribed in Regulation 13 shall be dealt with in accordance with Regulations. Notwithstanding the aforesaid, the Fund does not hold Unlisted Investments in accordance with Regulation 13(5) and the Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act.

FTSE/JSE All Share Index, FTSE/JSE All Bond Index, FTSE/JSE Financials Index and FTSE/JSE Resources Index

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MSCI Index

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Important information for investors

Need more information?

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